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# HAMPTON City Page

YOUR TAX DOLLARS AT WORK

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## The City Focus on High Wage Jobs

**Why is the city focusing exclusively on retail? High wage jobs are much more important.**

The city does focus on high wage jobs. We have a 4-prong economic development strategy and we actively pursue all equally. It is true that the retail and tourism projects get more media coverage; but, that does not mean that the other strategies — high wage jobs and improving the value of our housing stock and neighborhoods — get any less attention from the city.

**How does the city try to attract/keep high wage jobs?**

The city strategically targets 1) existing businesses for expansion and, 2) new companies that want to relocate or expand in Hampton Roads. The city focuses on the following target industries:

- Aerospace
- Automotive and Related Services
- Information Technology
- Electronic Equipment

The staff calls on local businesses to offer assistance in expansion. They aggressively market to potential new companies by directly contacting those matching our business profile. We annually conduct free seminars for startup and small business. And, technology and small business incubators for the region are located in Hampton.

**How successful has the city been with these efforts?**

We have much to be proud of. Howmet (a manufacturing company), Nextel (a telecommunications company), Raytheon (a defense contractor) and Zel Tech (a defense contractor) have all made several expansions since initially locating in Hampton.

Although Gateway (a computer manufacturer) has had some national restructuring and some local downsizing, they are still a major employer with over 900 jobs here. Plus, Gateway chose to keep this manufacturing facility open and concentrate many of its operations here. Other plants in other cities have closed.

**What is on the horizon?**

The national economic slow-down has impacted the pace of business growth and expansion. In spite of this, NDS and Raytheon will complete expansions in May and June respectively. One of our multi-year efforts is about ready to pay off. Since 1999, the city, state and NASA/Langley have been partnering to increase the spin-off benefits we can gain from the presence of NASA/Langley.

The result of that multi-year effort has led to the creation of the National Institute of Aerospace (NIA) — a new research and development arm for NASA. NASA currently has an RFP out to seek a non-profit and/or educational consortium operator for the NIA.

**What will NIA do for Hampton?**

The initial NASA commitment to this project is \$69 million for the first five years. This commitment may grow to as much as \$200 million. The NIA would ultimately have 300 to 400 scientists/engineers. The NIA would be the catalyst to attract industry partners to Hampton, creating additional high paying technology jobs. The ultimate benefit will be based on how much NASA decides to fund, which bidder gets the award, and how much of the dollars get spent in the city economy.

**Will the city financially contribute to NIA or is it free?**

Several funding options are being explored. We do not yet know how much and in what form the city will need to commit to ensure the NIA is located in Hampton and that the maximum amount of resource dollars are spent here. The city has been actively working to secure NIA for Hampton — even well before the RFP release. The city is prepared (as we are for other wise economic investments such as Power Plant/Crossroads, Gateway, and Nextel) to invest in NIA.

**If we spend the money on Crossroads and Power Plant, will we be unable to support NIA?**

Absolutely not. The city will and has supported the NIA effort. The choice is not either/or. We can and must do both.

**With all the potential benefits NIA can bring, why not abandon the Power Plant and Crossroads project?**

High wage job creation is critical. High wage jobs provide economic opportunity for residents. The presence of high wage employers makes Hampton a place that people want to live and other businesses want to locate.

High wages fuel the economy. High wages give residents more money to spend locally. But, as wonderful as high wage employers are, they pay little taxes directly to the cities they are in. The city gets a greater return, cash-wise, from its retail investments. Retail sales are the city's third largest source of local revenues.

For example, here's the difference in local taxes generated by industrial/commercial businesses vs. retail: Gateway - \$205,000, Nextel - \$98,000, and MacArthur Center - \$9,100,000.

That is why, we cannot focus exclusively either on high wage jobs or on retail. They are both critical — each in different ways.



*Nextel Communications is one of the businesses expanding in Hampton recently. For more news go to [www.hampton-development.com](http://www.hampton-development.com).*

## Calendar

**APRIL 22**

**Youth Commission**

Regular meeting, 7 p.m., Council Chambers, City Hall, 728-3285, [youthcom@hampton.gov](mailto:youthcom@hampton.gov).



**APRIL 23**

**Wetlands Board**

Regular meeting, 5 p.m., Council Chambers, City Hall, 727-6140.

**April 24**

**City Council**

Regular meeting, 7:30 p.m., Council Chambers, City Hall, 727-6315. Agendas on Web site: [www.hampton.gov/council](http://www.hampton.gov/council). Meetings broadcast live; re-broadcasts April 25 at 10 a.m., and April 27 at 3 p.m. on The City Channel TV-47.

**April 26-28**

**LUMA: Theatre of Light**

While it might be impossible to describe, LUMA embodies a breakthrough in family performance. In the traditions of Imago, Mummenschanz and Michael Moschen, LUMA transforms a darkened theatre into a special canvas where three dimensional objects and chaotic characters paint surreal worlds of colorful motion. Fantastic fun for the entire family! The American Theatre, 26th, 8pm; 27th, 2:30 & 8 pm; 28th, 2:30pm, 722-ARTS, [www.hampton.gov/arts](http://www.hampton.gov/arts).

**MAY 1**

**School Board**

Regular meeting, 7:30 p.m., Forum at Jones Magnet Middle School, 1819 Nickerson Blvd., 896-8107.

**Through May 12**

**Artists Who Teach**

The talents of those who are nurturing the artists of tomorrow are showcased in this exhibition. These artists not only teach, but also inspire students of all ages with mastery of their art forms and willingness to take chances. Charles H. Taylor Arts Center, 4205 Victoria Blvd., 727-1490.



## COMMUNITY MEETINGS

Crossroads Convention Center & The Power Plant — what do they mean to Hampton residents? Attend a 1-hour meeting where city staff will make presentations and answer your questions.

**April 22** - 7 p.m., Main Library

**April 25** - 6:30 p.m., Phillips Elementary School

**April 29** - 7:30 p.m., Northampton Community Ctr.

**May 2** - 7 p.m., K. Wallace Neighborhood Center

Please call 311 for more information.

## Budget Hearings

**April 24** First public hearing

**May 1** Second public hearing and first reading

**May 8** Second reading and final approval

*Public hearings at City Council meetings, 7:30 p.m., City Hall, [www.hampton.gov/council](http://www.hampton.gov/council).*

**For more calendar information, go to [www.hampton.gov](http://www.hampton.gov) and click on Calendar.**

## State must address Virginia cities' budget woes

*Following are highlights of City Manager George Wallace's budget message to City Council. The proposed \$307 million city and schools budget came out April 12 and Council will be considering it at public hearings (see calendar to right for dates). The fiscal year (FY) 2003 recommended budget represents a 4.2 percent increase over the current year's budget.*

Last year we took several actions (such as eliminating our reliance on one-time budget balancing strategies) that we expected would make the FY 2003 budget development less difficult. However, nothing we did or could have done would have prepared us for the impact of the state budget cuts passed onto us this year.

Two independent Joint Legislative Audit Review Commission (JLARC) studies commissioned by the General Assembly confirmed what localities have said for years — that the state is inadequately funding education and transportation. If the state's funding of education were to be adjusted to reflect current SOL requirements and prevailing educational practices, that funding deficit would be \$2.8 billion. The JLARC Transportation study concluded that the state had underfunded transportation in excess of \$6.5 billion.

Because of the state's failure to appropriately fund transportation and education, the city has to put more local dollars into these critical areas. According to the study:

- Hampton was paying 104% more than we should have to pay for our school system.
- If the state were to adopt the JLARC corrective measures, the local school system would receive in excess of *\$12 million more* for education *each year*.

If the city had full and appropriate state funding of education, it would be easier to fund other community priorities such as public safety, neighborhoods, parks, and recreation without raising fees and/or cutting back on existing city services.

Even though JLARC clearly established the state should be funding more in education and transportation, the General Assembly failed to make any real progress on addressing these needs. The General Assembly took several steps backward by balancing their budget on the backs of localities and school systems yet again. The budget passed by the General Assembly reduces funding to Hampton by approximately \$1.4 million.

Preferring to avoid a general tax increase, we have, once again chipped away at departmental budgets and used some creative methods to present a balanced budget. But the limits of our ability are being sorely tested. The state must step up to the plate.

**Where's more information?**

Residents may contact the 311 Call Center, view reference copies of the proposed budget document at all Hampton public libraries, attend a public hearing, or go to the city's Web site [www.hampton.gov/budget](http://www.hampton.gov/budget) for additional information about the proposed budget.



## Tune In!

**Find out what's going on in Hampton neighborhoods on The Neighborhood Show on The City Channel TV-47 during April.**

**Watch it Monday, Wednesday, Friday - 6 p.m. Saturday, Sunday 10:30 a.m. & 2:30 p.m.**

**To find out about other programs on The City Channel, call 311 or go to [www.hampton.gov](http://www.hampton.gov) and click on What's Hot.**

## "Odyssey of the Mind"

In last month's Peninsula Odyssey of the Mind competition the Hampton school division had two teams crowned First Place winners, with those teams advancing to state competition.

**First Place winners:**

- Kecoughtan High School
- Mary Peake Center

**Second Place Winners:**

- Kecoughtan High School
- Phoebus High School

**Third Place Winners:**

- Davis Middle School
- Bethel High School

For info, call Hampton City Schools, 896-8107.

## Children's Festival Downtown on April 20

The International Children's Festival makes learning fun. The event features food, culture, history, geography, dance .... 17 countries in all .... Greece, Africa, India, Egypt, and more!

Event is 10 a.m. to 5 p.m. at Mill Point Park. For information, call 727-8311 or visit [www.hampton.gov/parks](http://www.hampton.gov/parks).

